

MAYOR & CABINET

Financial Monitoring Report 2020/21 – Period 2 (May 2020)

Date: 9 July 2020

Key decision: No.

Class: Part 1

Ward(s) affected: N/A

Contributors: Executive Director for Corporate Services

Outline and recommendations

The emergence of the Covid 19 pandemic has significantly influenced the Council's activities since early March. This report sets out the financial forecasts for 2020/21 as at 31 May 2020, noting any exceptional items to the end of June 2020. It also updates on the work being done to assess and monitor the financial implications of the Covid-19 response.

The key areas to note are as follows:

- There is a forecast overspend of £25.6m against the directorates' net general fund revenue budget, after the application of additional government funding to support the local authority's response to the Covid-19 pandemic.
- The Dedicated Schools Grant (DSG) is currently projected to overspend by £2.6m at the end of the financial year. There are five schools with loans totalling £1.4m.
- The Housing Revenue Account (HRA) is currently projecting a balanced budget position.
- As at 31 May 2020, some 17.6% of council tax due and 33.0% of business rates due had been collected. At this point last year, 19.2% of council tax due and 31.1% of business rates due had been collected.
- The Capital Programme spend as at 31 May 2020 is £4.4m, which is 2% of the 2020/21 of the proposed revised capital budget of £210.9m. At this point last year, 16% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m.

Members are asked to note the current financial forecasts for the year ending 31 March 2021 and request that Executive Directors bring back detailed action plans to manage down budget pressures within their directorates;

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecasts for 2020/21 as at 31 May 2020, noting any exceptional items to the end of June 2020. The key areas to note are as follows:
- i. There is a forecast overspend of £25.6m against the directorates' net general fund revenue budget, after the application of additional government funding to support the local authority's response to the Covid-19 pandemic.
 - ii. The Dedicated Schools Grant (DSG) is currently projected to overspend by £2.6m at the end of the financial year. There are five schools with loans totalling £1.4m. This is set out in more detail in section 10 of this report.
 - iii. The Housing Revenue Account (HRA) is currently projecting a balanced budget position. This is set out in more detail in section 11 of this report.
 - iv. As at 31 May 2020, some 17.6% of council tax due and 33.0% of business rates due had been collected. At this point last year, 19.2% of council tax due and 31.1% of business rates due had been collected. This is set out in more detail in section 12 of this report.
 - v. The Capital Programme spend as at 31 May 2020 is £4.4m, which is 2% of the 2020/21 of the proposed revised capital budget of £210.9m. At this point last year, 16% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. This has been set out in more detail in section 13 of this report and the appended documents.

2. PURPOSE

- 2.1 The purpose of this report is set out the financial forecasts for 2020/21 as at the end of May 2020, noting any exceptional items to the end of June 2020 and projected to the year end, 31 March 2021.

3. RECOMMENDATIONS

- 3.1 The Mayor & Cabinet is asked to:
- 3.3.1 Note the current financial forecasts for the year ending 31 March 2021 and request that Executive Directors bring back detailed action plans to manage down budget pressures within their directorates;
 - 3.3.2 Note the proposed revision of the capital programme budget, as set out in section 13 of this report, with further detail attached at appendices 1 and 2.

4. POLICY CONTEXT

- 4.1 Coronavirus is severely impacting on Lewisham. The pandemic has taken away jobs, income and threatened livelihoods, homes and businesses. The Council has prioritised critical services to help save lives, protect the vulnerable, ensure public safety, keep transport moving and help key workers to do their job. This financial position demonstrates the impact of the very severe financial constraints which have been imposed on Council services with the cuts made year on year, despite the increasing demand to deliver services to the borough's residents.

- 4.2 All local authorities are under significant financial strain following the outbreak of the coronavirus with business rates, council tax and income levels from fees and charges all falling significantly. Maintaining Council income was always important to ensure these critical services can continue, but the cost of coronavirus in Lewisham is estimated to be £50m this year and rising. Without substantial extra funding from government then it will be impossible for local authorities to balance their budgets whilst adequately maintaining essential services.
- 4.3 The situation remains critical and challenging and councils face the prospect of laying out large scale spending cuts over the course of the coming months unless the government urgently steps in to provide financial support. The level of support received from government to date has not been sufficient and additional funding is urgently needed. Critical council services have continued and new areas of vital support have emerged – responsibilities to respond to outbreaks, infection control for care homes, supporting vulnerable people in their homes and in care settings, distributing food and medicine for those most in need, and supporting Lewisham's economy through the distribution of emergency grant funding to businesses and residents. The cost of coronavirus has not yet been covered. It will be essential that government recognises that local authorities like Lewisham will be at the heart of the pandemic recovery and appropriate financial support is vital to all of those across the borough who rely on Council services at this time.
- 4.4 It stands that the Council's strategy and priorities drive the Budget with changes in resource allocation determined in accordance with policies and strategy. The Council launched its new Corporate Strategy in 2019, with seven corporate priorities as stated below:

4.4.1 Corporate Priorities

- **Open Lewisham** - Lewisham will be a place where diversity and cultural heritage is recognised as a strength and is celebrated.
- **Tackling the housing crisis** - Everyone has a decent home that is secure and affordable.
- **Giving children and young people the best start in life** - Every child has access to an outstanding and inspiring education, and is given the support they need to keep them safe, well and able to achieve their full potential.
- **Building and inclusive local economy** - Everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
- **Delivering and defending health, social care and support** - Ensuring everyone receives the health, mental health, social care and support services they need.
- **Making Lewisham greener** - Everyone enjoys our green spaces, and benefits from a healthy environment as we work to protect and improve our local environment.
- **Building safer communities** - Every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.

- 4.5 Values are critical to the Council's role as an employer, regulator, and securer of services and steward of public funds. The Council's values shape interactions and behaviours across the organisational hierarchy, between officers, and members, between the council and partners and between the council and citizens. In delivering our duties, we are guided by the Council's four core values:

- We put service to the public first
- We respect all people and all communities
- We invest in employees
- We are open, honest, and fair in all we do.

5. FINANCIAL CONTEXT AND DIRECTORATE FORECAST OUTTURN

Financial Context

- 5.1 The Council has taken measures to support both businesses and residents who are facing financial hardship as a result of the Coronavirus (Covid-19) pandemic. The table below provides an overall summary of the additional resources which have been received the Council to date to help with this support.

Government Funding for Covid-19

Funding Description	Lewisham's Allocation £m	Amount Received £m
Section 31 – Infection Control Grant	1.624	£0.812
Section 31 – Test, Track and Contain Grant	2.267	£2.267
Covid-19 LA Support Grant	17.961	£17.961
Reopening High Street Safely Fund	0.272	0.0
Sub-Total – for service costs	22.124	21.040
<i>COVID-19 Hardship Fund</i>	3.241	3.241
<i>Nursery Discount – Local Share</i>	0.905	0.455
<i>Expanded Retail Discount – Local Share</i>	29.511	14.830
<i>Business Support Grant (Small business grant fund and Retail, Leisure and Hospitality Fund)</i>	47.000	47.000
Sub-Total – for businesses and citizens	80.657	65.526
Grand Total	102.781	86.566

Council Tax Payers

- 5.2 In March, the government announced a hardship grant would be provided to local authorities in response to Covid-19 to provide council tax relief to vulnerable people and households. Lewisham received £3.2m of hardship funding and has made these funds available to individual Council Tax payers through two routes:

- Grants aligned to the Council Tax Reduction Scheme
- Emergency support for residents.

- 5.3 The first is an additional grant of £150 per working age claimant of the Council's Council Tax Reduction Scheme (CTRS). On 8 June, 16,300 households' accounts were credited with £150. Any remaining balance of this funding is being used to support additional hardship claims for those in crisis via the local support scheme, where no other assistance is available. As at 25 June 2020, 197 applications have been received, of which 117 payments have been distributed and 78 applications have been unsuccessful.

Businesses

- 5.4 Central government has turned to local authorities to deliver a number of new schemes aimed at supported local businesses who have been impacted by Covid-19.
- 5.5 For businesses, support measures include extended business rates relief for 2020/21, grants to small businesses and those in the retail, hospitality, and leisure sectors, and a grant to support Small and Medium Enterprises (SMEs) – those with less than 50 employees – not covered by the initial grant arrangements.
- 5.6 The Council has received £47m to distribute in grants of £10k or £25k to small business within certain rateable values and/or in the retail, hospitality, and leisure sectors. At 25 June, the Council had assessed all those who have applied and disbursed 3,032 grants of the 3,375

businesses eligible and over £38.4m. There are no cases pending assessment. Work continues to actively reach out to those remaining businesses who may be eligible, but have yet to apply and a discretionary award scheme has been in operation during the June.

Council Services

- 5.7 The Council received an additional £18m from its share of the £3.2bn of government emergency Covid-19 funding. It has also received a further £1.6m and £2.2m by way of grants for 'infection control' and 'test, track and trace', respectively. Furthermore, an allocation of £300k is soon to be received as Lewisham's share of the 're-opening the high street safely' fund. This brings the overall total of funding for these council services to £22.1m. For the purpose of this report, the gross costs of the coronavirus response has been set out in each directorate section, expressing the financial position in gross terms and before the application of the £22.1m government emergency funding.

Council-wide Financial Position

- 5.8 The forecasts against the directorates' general fund revenue budgets are shown in Table 1. In summary, a forecast year-end gross overspend of £47.7m is being reported as at the end of May 2020, where £31m is considered Covid-19 related and the balance of £16.7m are classified as service directorate pressures. The pressures are alleviated in part by additional government funding which is being received to provide some financial support to councils to undertake additional activities in recognition of the unplanned costs which have been incurred in responding to Covid-19. The amount received by Lewisham to date, or due for imminent arrival for such purposes, totals £22.1m. Once applied to the gross spend projections, this has the effect of reducing the overall pressure down to £25.6m. It should be noted that this still leaves unfunded Covid-19 related pressures of £8.9m for these services. This is set out in the following tables.
- 5.9 There is still some uncertainty regarding how long the current lockdown situation will last, even with the government easing some restrictions. Therefore, officers are only able to estimate the likely impact on the financial position in 2020/21. The ultimate length of the lockdown will determine the final impact on the financial outcomes and consequently the current modelling that the council has undertaken reflects a spectrum of potential financial impacts due to this uncertainty.

Table 1 – Overall Directorate Position for 2020/21

Directorate	Gross budgeted spend 2020/21	Gross budgeted income 2020/21	Net budget 2020/21	Forecast Outturn 2020/21	Forecast Variance Over/ (Under) Spend May 2020	Covid-19 Related Variance	Non Covid-19 Related Variance
	£m	£m	£m	£m	£m	£m	£m
Children & Young People (1)	185.5	(128.0)	57.5	80.0	22.5	10.1	12.4
Community Services	178.9	(90.3)	88.6	98.9	10.3	9.2	1.1
Housing, Regeneration and Environment (2)	126.2	(90.3)	35.9	45.9	10.0	6.5	3.5
Corporate Services	64.3	(26.9)	37.4	42.3	4.9	5.2	(0.3)
Directorate Totals	554.9	(335.5)	219.4	267.1	47.7	31.0	16.7
Covid Grant Funding	N/A	N/A	N/A	N/A	(22.1)	(22.1)	0.0
Corporate Items	23.6	(0.0)	23.6	23.6	0.0	0.0	0.0
Net Revenue Budget	578.5	(335.5)	243.0	287.5	25.6	8.9	16.7

(1) – gross figures exclude £180m Dedicated Schools' Grant expenditure and matching grant income

(2) – gross figures exclude approximately £213m of matching income and expenditure for housing benefits.

6. CHILDREN AND YOUNG PEOPLE DIRECTORATE

- 6.1 As at the end of May 2020, there is an anticipated overspend of £22.5m for the Children and Young People (CYP) Directorate. Some £10.1m of this relates specifically to previously unanticipated Covid-19 budget pressures, which therefore leaves non Covid-19 related service budget pressures of £12.4m for the year. This compares to an overspend at the 2019/20 outturn of £6.7m.
- 6.2 At this stage, the main forecasting assumptions are based on the 2019/20 outturn position, and using March data to forecast the full year effect for 2020/21. For this reason the forecast has been increased by £5.7m reflecting for placements the full year effect of increased numbers that were placed part year in 2019/20. In addition, price inflation has been assumed. It should be noted that the savings proposals of £1.3m has not been shown here, but is included in the Covid-19 impact.
- 6.3 The figure above is felt to be the worst case scenario and the directorate is currently working with Finance colleagues on a financial recovery plan which seeks to reduce the projected overspend. Actions planned include the following:
- Strengthening processes to track the costs associated with the placement of children
 - Ensuring that partner contributions for such placements are obtained
 - Establishing a high cost placement review board chaired by the Executive Director to ensure that high cost placements are kept to a minimum
 - Monthly review meetings to monitor directorate spend with a focus on budget areas where spend is high
 - Reviewing and reducing the number of interim and agency staff employed within the directorate
 - Introducing directorate specific recruitment controls
 - Reviewing all external contracts
- 6.4 The overall position for the directorate has been set out in the table below.

Table 2 – Children & Young People Directorate

Service Area	Gross budgeted Spend 2020/21	Gross budgeted income 2020/21 – including grants*	Net budget 2020/21	Forecast Outturn 2020/21	Forecast Variance Over/ (Under) spend May 2020	Covid-19 Related Variance	Non Covid-19 Related Variance
	£m	£m	£m	£m	£m	£m	£m
Children's Social Care (1)	52.3	(11.3)	41.0	54.2	13.2	3.2	10.0
No Recourse to Public Funds	2.9	0.0	2.9	2.9	0.0	0.0	0.0
Education Services (1) (2)	119.5	(109.6)	9.9	15.7	5.8	3.9	1.9
Joint Commissioning / Early Help (1)	10.8	(5.9)	4.9	5.4	0.5	0.0	0.5
Schools	0.0	(1.2)	(1.2)	1.8	3.0	3.0	0.0
Total	185.5	(128.0)	57.5	80.0	22.5	10.1	12.4

*(1) includes £9.8m of once-off funding for 2020/21 to be reviewed in 2021/22 (CSC £8.2m, ES £0.7m, EHJC £0.9m)

*(2) Includes £84m centrally managed DSG expenditure and income

Cost of Covid-19

- 6.5 The estimated financial impact of the Covid-19 pandemic on base budgets for expenditure and income in Children and Young People directorate is £10.1m. To date additional costs of £2.5m have been incurred with an estimated full year effect of £5.1m. In addition to this, a potential loss of income for schools of £3m is forecast, and planned savings in children's social care of £1.4m are at risk further details are shown in the table below.

Table 3 – Covid-19 Pressures for the CYP Directorate

Service	Area	Total cost £m
Children's Social Care	Workforce	0.2
	Residential	0.8
	Care leavers	0.2
	Other	0.6
Education Services	SENS	0.5
	Home to School Transport	0.8
	School meals contract and Supporting Low income families with food hampers	2.6
Schools	Loss of income in schools	3.0
Children's Social Care	Unachieved savings	1.4
Total		10.1

- 6.6 With regards to actual costs, the main expenditure refers to the schools meals contract, which is a contract that the Council has directly with the provider. The actual costs also include increased allowance for foster carers, and costs associated with personal, protective, equipment (PPE).
- 6.7 With regards to the estimated position, there are various assumptions around the post Covid-19 impact on Children's Social Care (CSC) and assumes a 5% increase on the budget, it also assumes that the savings position will be compromised. As stated above, CSC is continuing to review processes, so therefore, this is being indicated as a potential risk. There is concern that the post Covid-19 trauma of circumstances such as domestic abuse, mental illness, breakdown in families will result in higher demand for services.
- 6.8 In addition to this, there is a provision of £3m, which is the anticipated loss of income that schools are likely to face as a direct result of Covid-19. The DfE funding to schools does not support this loss.
- 6.9 Furthermore, there is also the potential impact on Special Educational Needs (SEN), especially around social distancing and transport. At this stage, no provision has been made with regards to the withdrawal of the transport permit which could potentially add to this pressure. Officers are awaiting clarification from Transport for London and Department for Transport.

Children's Social Care

- 6.10 As at the end of May 2020, the *Children Social Care* division is reporting pressures of £10m. This compares to the overspend at outturn of £5.2m. The overspend is expected in the *placement* budgets which overpent by £4m last year. Further details are given in the following paragraphs. Other services are expected to finish the year within budget as a result of corporate resources of £1.2m being allocated to the services to cover historic pressures in legal fees, Section 17 costs and other care services. This excludes any additional costs relating to Covid-19 mentioned in paragraph 6.4 above.
- 6.11 Children's Social Care *staffing* review conducted through the first half of 2019 is currently being implemented. The budget for the new structure has been costed at £18m and the service is expecting to operate within budget, with a reduced reliance on agency staff, again subject to the constraint of Covid-19.
- 6.12 The *No Recourse to Public Funds* budget underspend by £1.6m in 2019/20. The budget has been reduced by £1m in 2020/21 and spend is expected to remain within budget despite a small increase in numbers towards the end of the last financial year. It is possible that if those numbers remain constant, then the budget may underspend but, until there is a clearer trend on demand, it is too early in the year to project anything other than a balanced budget.

- 6.13 The *Placements* budget is £28.5m, having been cut by £1.4m in 2020/21. The outturn in 2019/20 was £33.8m. Based on the current number of placements, the trend in the last quarter of last year and the average costs per case, calculated using actual costs, the spend for the year is expected to be in the region of £38.5m. This takes into account projected inflationary increases, but not additional costs related to Covid-19. This represents an overall overspend of £10m against the current budget. However, as stated above, the recovery plan will seek to reduce this financial pressure.
- 6.14 The table below shows placement numbers for the last four months, i.e. the last two months of 2020/21 and the first two months of the new financial year, 2020/21.

Table 4 – Children Looked After

Children Looked After Numbers (Average)				
	February 2020	March 2020	April 2020	May 2020
LA Fostering (including kinship)	165	161	168	167
Agency Fostering	195	195	194	197
Residential Children's Homes	60	62	63	62
Semi-Independent placements	38	40	39	35
Leaving Care 18+	342	278	273	277
Special Guardianship Orders	231	233	233	233
Total	1,031	969	970	971

Education Services

- 6.15 The main cost pressure within the Education Services division relates to SEN transport with a projected overspend of £1.9m, before taking into account additional costs as a result of Covid-19. The overspend is consistent with the position for the previous three financial years. This is a demand led budget. Consistent with the national position, the Council has experienced an increase in the numbers of pupils with Education, Health and Care Plans (EHCPs). Officers are closely monitoring the impact of this.

Joint Commissioning and Early Help

- 6.16 The *Joint Commissioning and Early Help* service is projecting an overspend of £0.5m compared to an overspend of £1.1m last year.
- 6.17 The early help offer for families is funded mainly by the Troubled Families (TF) grant. Although the Council's TF claims are at the level expected by MHCLG, the service is again overspent by £1.1m. Some £0.9m was a legacy from the 2015/16 savings process, however corporate resources have been used to rectify this. This leave a projected overspend of £0.2m.
- 6.18 A budget shortfall of £0.5m is expected as a result of extending the Youth Service contract while the future options for the Youth Service contract are considered. This partially offset by an underspend in the Children's Centres budget of £0.2m accounts for the balance of the overspend.

Progress on Savings for 2020/21

- 6.19 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £2.350m were agreed in setting 2020/21 budget. For the proposal with reference CUS15 (Nil Recourse to Public Funds), this is on track and expected to be fully

achieved. In previous years, this budget has been underspent and therefore supported in part the overspends on CSC budgets including legal fees, section 17 etc., It should be noted that those budgets with historic overspends have been supported by a cash injection from corporate reserves for 2020/21.

- 6.20 The remaining savings, CYP01 to CYP05 relate to children's social care placements. After discussion at the Children's Social Care Improvement Board in January 2020 on the challenges in delivering the savings, it was agreed that the service would review the proposals and seek alternative options for meeting the savings target. At the stage of the financial year it would be expected that these savings are to be delivered in full.

Table 5 – CYP Savings Tracker for 2020/21

Ref	Proposal	Division	£m	Achieved £m	Gap £m	Comment
CYP01	More efficient use of residential placements	CSC	0.300	0.0	0.300	At Risk
CYP03	More systematic and proactive management of the market	CSC	0.600	0.0	0.600	At Risk
CYP04	Commission semi-independent accommodation for care leavers	CSC	0.250	0.0	0.250	At Risk
CYP05	Residential framework for young people - Joint South East London Commissioning Programme	CSC	0.200	0.0	0.200	At Risk
Children's Social Care Related			1.350	0.0	1.350	
CUS15	No Recourse to Public Funds service budget	CSC	1.000	1.000	0.0	On Track
Total for Children & Young People Directorate			2.350	1.000	1.350	

7. COMMUNITY SERVICES DIRECTORATE

- 7.1 As at the end of May 2020, there is an anticipated overspend of £10.3m for the Community Services directorate. Some £9.2m of this relates to Covid-19 budget pressures, which therefore leaves anticipated non Covid-19 related service budget pressures of £1.1m for the year. This compares to an underspend at the 2019/20 outturn of £4.2m. The overall position for the directorate has been set out in the table below.

Table 6 – Community Services Directorate

Service Area	Gross budgeted Spend 2020/21	Gross budgeted income 2020/21	Net budget 2020/21	Forecast Outturn 2020/21	Forecast Variance Over/ (Under) Spend May 2020	Covid-19 Related Variance	Non Covid-19 Related Variance
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care	126.2	(56.9)	69.3	76.2	6.8	4.6	2.2
Cultural & Community Development	16.5	(7.9)	8.6	10.3	1.7	1.8	(0.1)
Public Health	16.0	(16.3)	(0.3)	2.5	2.8	2.7	0.1
Crime Reduction & Supporting People	19.1	(9.2)	9.9	9.5	(0.4)	0.2	(0.6)
Strategy & Performance	1.1	0.0	1.1	1.1	0	0	0
Reserves	0.0	(0.2)	(0.2)	(0.7)	(0.5)	0	(0.5)
Total	178.9	(90.3)	88.6	98.9	10.3	9.2	1.1

- 7.2 The most significant cost variances for the directorate fall within the *Adult Social Care division*. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and any movements from the previous period. It also makes clear what the impact of any management action or other intervention will have on the forecast projected to the year-end. Where any variance is impacted upon by demand driven activity, then these are also set out and made clear in this section.

Cost of Covid-19

- 7.3 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Community Services is £9.2m. These pressures are included in projections below. These, and similar pressures in other directorates, will be alleviated by the Covid grant that the Council has received and from other specific grants. This is summarised as follows:

Table 7 – Covid-19 Pressures for the Community Services Directorate

Service	Area	Total cost £m
Adult Social Care	PPE and Infection Control	2.2
	Market Support	1.0
	Unachieved Savings	2.5
	Other	0.6
	Recharge to health for hospital discharges (net)	(1.7)
Public Health	Test and Trace	2.2
	Volume pressure on contracts	0.5
	Other	0.1
Culture and Community	Community Hub	0.7
	Leisure – additional pay savings	0.6
	Leisure – income	0.1
	Other income	0.3
Crime Reduction and Supporting People	Prevention and Inclusion	0.1
	Licensing income	0.1
Total		9.2

- 7.4 The Council has been allocated £1.6m from the Infection Control Fund. In accordance with the fund's conditions 75% has been allocated to residential and nursing homes in the borough (£1 per bed); the remaining 25% has been allocated to other care services – supported accommodation, extracare and home care. The expenditure is included in the Adult Social Care figures below.
- 7.5 The Council has also been allocated £2.2m for Test and Trace. This is included in the Public Health figures shown below.
- 7.6 Some £1.3bn has been awarded to Clinical Commissioning Groups (CCGs) nationally to fund the costs of hospital discharges since 19th March 2020. This projected income is included in the adult social care projections below.

Adult Social Care Services

- 7.7 An overspend of £6.7m is projected in the *Adult Social Care* division, including Covid-19 related costs of £4.2m. The residual overspend is largely due to the cost of transition cases and delay in implementing the main IT systems used by the service. The main areas of Covid-related spend are: supporting the market, PPE & infection control and delay in achievement of savings.

- 7.8 Covid-19 has had a complex impact on activity and costs in adult social care. In March and April, there was an unusually high number of deaths of older service users, particularly in residential settings. In late March however, hospital discharge activity increased as hospitals prepared for an increase in Covid-19 cases. Discharges were largely to nursing homes, but overall both nursing and residential numbers are down. New admissions have also dropped probably reflecting a reluctance of service users and their families to move into a residential settings in the current climate. As occupancy has fallen and costs have increased (need for staff cover, PPE etc.) care providers have required financial support and the Council has increased its weekly rates on a short term basis in response.
- 7.9 Non-residential payments have varied less, but again the detail is complex. The Council has not increased hourly rates for the three lead providers of home care rates, but have continued to pay based on pre-Covid activity despite the fact that the number of hours delivered has dropped. This reduction in hours is attributable to a combination of death, less hospital discharge activity recently and the fact that some services are not required currently as families are able to provide more of the care. The Council has also continued to pay day care providers at pre-Covid rates, despite the fact building based care has not been possible (although some providers have been able to maintain an outreach service).
- 7.10 In addition to this impact on demand, Covid-19 has also changed the way social care activity has been carried out.
- 7.11 To date only part of the planned budget savings have been achieved. There has been improved management of enquiries and how these can be resolved by the staff who handle them. Such new approaches to demand management have reduced the numbers of older service users, particularly smaller care packages. However, there have been two obstacles to delivery: (a) the impact of Covid-19 (diversion of social work activity to dealing with hospital discharges and difficulty of carrying out face to face reviews with current social distancing rules) (b) delays in full implementation of the planned re-organisation of the social work function and (c) delays in carrying out improvements to the main systems used by adult social care staff (LAS and Controcc). An updated position of the progress of delivering the revenue savings has been set out in the table below.
- 7.12 Projections are only indicative at this stage of the year. Overall numbers and costs of residential and nursing placements have dropped slightly since March and costs of new or increased packages for patients who have been discharged from hospital are currently recharged to the CCG. However, it is not known how long these recharge arrangements will last. It is likely that service user numbers will increase as the threat of Covid-19 recedes, but it is not certain how quickly this will happen for different services. It is expected that the demand for residential and nursing placements to take the longest to return. It can also not be said with any certainty at this point how quickly it will be possible to establish the ways of working on which many of the planned savings depend.

Cultural and Community Development

- 7.13 The *Cultural and Community Development* service is currently projecting an overspend of £1.7m., including Covid-19 costs of £1.8m
- 7.14 The community sector grants programme is showing no variance. The new three-year programme came into effect on 1 August 2019 meaning that the full saving of £600k agreed as part of the 2019/20 budget process will be fully achieved for the 2020/21 financial year.
- 7.15 There is a projected overspend of £40k on the community centres budget which is resulting from the loss of regular room hire income as a result of Covid-19.
- 7.16 The Libraries budget is projected to underspend by £65k. There are projected staffing underspends of £125k due to vacant posts and associated recruitment drag during the library closures resulting from Covid-19. This is offset by an income shortfall on fees and charges

income of £60k of which approximately 50% is linked to the closure of the libraries building during the pandemic.

- 7.17 The Broadway Theatre is expected to be closed for the whole 2020/21 financial year partly as a result of Covid-19 and partly to facilitate essential works. During this time, there will be ongoing staff costs which will not be able to be recovered from income and a budget pressure of £40k is projected. It is currently anticipated that the annual Blackheath Firework event will go ahead in November and a similar budget pressure to last year is projected of £16k. Although Peoples' Day will not go ahead in 2020, the funding of £35k has been earmarked against the 'virtual culture' offer agreed by the Executive Management Team and so no variance is currently projected.
- 7.18 There will be a small staffing underspend of £19k across the budgets for Community Development Management and Cultural Services Management.
- 7.19 The Leisure Management budget is expected to overspend by £750k. The Leisure Centres currently remain closed and emergency contract payments have been made to Fusion Lifestyles and 1-Life from the Covid-19 cost centre in Community Services (estimated cost for year £630k). In addition, there is a projected income shortfall of £105k on the Leisure Management Contract with Fusion Lifestyles and a further £10k pressure on the Client Management budget resulting from additional consultancy costs incurred in supporting the management of the Fusion Lifestyles contract. There is also a £50k pressure on the Downham PFI budget resulting from the annual inflationary increase on the unitary charge contract with Lintum which was not covered from non-pay inflation this year as part of the budget process.
- 7.20 The Adult Learning budget is reliant of £500k of student fee income generated from the courses run by the service. As a result of the course closures brought about by Covid-19, the service has lost the first term income of approximately £160k and with future social distancing policies will probably only be able to operate at a two thirds capacity for the two remaining terms. This is expected to result in a further loss of at least a £100k. Against this, there will be potential costs savings of £60k on the need to cover for tutor sickness and annual leave, tutor training and on course materials and resources. This will leave a net budget pressure of £200k.
- 7.21 Finally, the estimated cost of the community hub set up to help residents of the borough who are shielding from Covid-19 is £0.7m.

Public Health

- 7.22 The *Public Health* division is projected to overspend by £2.69m. This overspend includes spend against the £2.2m for track and trace will be offset in full by the grant received from central government for these purposes. The balance is due to Covid-19, some £240k and £210k for costs associated with uncapping of sexual health e-services and the establishment of an online contraception offer to mitigate against the reduction in face-to-face sexual health clinic services during the pandemic, respectively; and a further £40k for the joint Lewisham and Birmingham work to address health inequalities in Black African and Black Caribbean communities.

Crime Reduction and Supporting People

- 7.23 The *Crime Reduction and Supporting People* service is currently projecting an underspend of £0.4m which includes a Covid-19 pressure of £0.2m.
- 7.24 There is a projected underspend of £250k on the budget for secure remand placements in the Youth Offending Service. This is due to a combination of factors including better demand management, an increase in grant funding and a slowdown of the court process due to Covid-19. This budget can still be volatile as remand placements are at the discretion of the court based on the age/vulnerability of the young person and the nature of the offence. However,

based on current remand numbers, a similar level of underspend is projected as was the case in 2019/20.

- 7.25 There is a projected underspend on the Environmental Health budget of £130k. This primarily relates to staffing in the Food Safety Team. During last year, there was a significant increase in staff turnover in the team and an ongoing difficulty in recruiting suitable replacement agency staff to carry out food inspection activity.
- 7.26 The Youth Offending core budget is projected to underspend by £40k, this variance is resulting primarily from projected underspends on staffing budgets coupled with a small increase in annual grant funding from the Youth Justice Board. The Crime, Enforcement and Regulation budget is projected to underspend by £42k – underspends on staffing and operational budgets of £102k are offset by a potential shortfall of £60k on Licensing income (primarily Gambling Act and Licensing Act) as a result of Covid-19. An overspend of £23k is expected on the CCTV budget for the Management and Operation of the CCTV control room – the phasing of the contract payments over the 5 year life of the new contract which started in February 2020 has created a pressure in the first year of operation.
- 7.27 The Prevention and Inclusion staffing budget is expected to underspend by £30k mainly due to the impact of staff secondments. The Supporting People budget is projected to underspend by £50k - this is an additional £30k in Section 256 income from the CCG coupled with a £20k contract savings. The Drug and Alcohol budget is expected to underspend by £65k - £20k contract savings, £25k on campaigns and service user involvement and £20k across detox and rehabilitation budgets. These underspends are offset by Covid-related costs of £150k (mostly a temporary increases in contact costs).

Strategy and Performance

- 7.28 The *Strategy and Performance* division is reporting a nil variance at this stage of the year and is expected to spend to budget by the year-end.

Trends in activity

- 7.29 The following tables illustrate some trends in activity for adult social care.

Table 8 – Number of 18+ Clients in service:

Adults 18+ in each type of care (numbers)				
	Feb-20	Mar-20	Apr-20	May-20
Residential	442	445	436	420
Nursing	294	287	286	260
Non-Residential	2,164	2,147	2,174	2,165
Total	2,900	2,879	2,896	2,845

Table 9 – Average Weekly Cost of 18+ Clients in service:

Adults 18+ in each type of care (average cost)				
	Feb-20	Mar-20	Apr-20	May-20
Residential	£ 1,120	£ 1,119	£ 1,126	£ 1,160
Nursing	£ 818	£ 817	£ 833	£ 830
Non-Residential	£ 400	£ 403	£ 407	£ 402
Average Gross v. Numbers	£ 552	£ 555	£ 557	£ 553

Table 10 – Weekly Gross Cost of 18+ Clients in service:

Adults 18+ in each type of care (gross cost)				
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	Feb-20	Mar-20	Apr-20	May-20
Residential	£ 495,239	£ 498,151	£ 491,122	£ 487,384
Nursing	£ 240,463	£ 234,478	£ 238,255	£ 215,923
Non-Residential	£ 864,572	£ 866,191	£ 884,185	£ 871,180
Total	£ 1,600,273	£ 1,598,819	£ 1,613,563	£1,574,486

Progress on Savings for 2020/21

- 7.30 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £6.328m were agreed in setting 2020/21 budget.

Table 11 – Community Services Savings Tracker for 2020/21

Ref	Description	Division	£m	Achieved £m	Gap £m	Comment
COM02	Ensuring support plans optimise value for money	ASC	0.250	0.250	0.0	Achieved
COM04	Reduce costs for Learning Disability and Transitions	ASC	1.000	0.200	0.800	Partial achievement; balance delayed
COM05	Increased focus of personalisation	ASC	0.482	0.350	0.132	Largely achieved
COM06	Reduction in Mental Health Residential care costs	ASC	0.200	0.200	0.0	Achieved
COM07	Reduction in Adult Social Care contribution to Mental Health Integrated Community Services(Sirs)	ASC	0.050	0.050	0.0	Achieved
COM08	Change in the public engagement responsibilities for air quality and dedicated funding	PH	0.060	0.060	0.0	Achieved
COM10	Crime, Enforcement & Regulation reorganisation	CR&SP	0.161	0.161	0.0	Largely achieved
COM15	Extended Use of Broadway Theatre	C&CD	0.050	0.0	0.050	Saving offset by pressures funding
COM16	Cultural & Community Development Service Staffing	C&CD	0.075	0.075	0.0	On track
COM1a	Managing demand at the point of access to adult social care services	ASC	1.000	0.100	0.900	Partial achievement; balance delayed
COM2a	Ensuring support plans optimise value for money	ASC	0.500	0.0	0.500	Delayed
COM3a	Increase revenue from charging Adult Social Care clients	ASC	0.500	0.0	0.500	Delayed

COM18	Funding inflationary increase from within the ASC Grant	ASC	2.000	2.000	0.0	Achieved
Total for Community Services Directorate			6.328	3.446	2.882	

8. HOUSING, REGENERATION AND ENVIRONMENT

- 8.1 As at the end of May 2020, the Housing, Regeneration & Environment directorate is forecasting an overspend of £9.9m. Some £6.5m of this relates to Covid-19 costs for which central government funding is being sought to fully cover all of these pressures. The balance of £3.4m are considered to be non Covid-19 related directorate pressures. The overall position has been set out in the table below.

Table 12 – Housing, Regeneration and Environment Directorate

Service Area	Gross budgeted spend 2020/21	Gross budgeted income 2020/21	Net budget 2020/21	Forecast Outturn 2020/21	Forecast Variance Over/ (Under) Spend 2020/21	Covid-19 related Costs	Non Covid-19 Related Costs
	£m	£m	£m	£m	£m	£m	
Strategic Housing	32.0	(26.9)	5.1	6.1	1.0	1.0	0.0
Environment	40.2	(18.0)	22.2	26.9	4.7	2.6	2.1
Regeneration	50.9	(42.9)	8.0	10.9	2.9	1.6	1.3
Planning	2.7	(2.0)	0.7	2.0	1.3	1.3	0.0
Reserves/Provisions	0.3	(0.4)	(0.1)	(0.1)	0.0	0.0	0.0
Total	126.1	(90.2)	35.9	45.8	9.9	6.5	3.4

- 8.2 The most significant cost pressures for the directorate fall within the *Environment* division. The following sections provide a summary of the revenue forecast by division. It provides an explanation of the cause of the variance and identifies Covid-19 related costs and income losses. This section also provides a directorate summary table of the progress being made on delivering agreed savings for 2020/21 and what impact if any, slippage on those savings is having on the overall directorate position.

Cost of Covid-19

- 8.3 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Housing, Regeneration and Environment is £6.5m. These pressures are included in projections below. These, along with similar pressures in other directorates, will be alleviated by the Covid grant the Council received from central government. The Covid pressures are summarised as follows:

Table 13 – Covid-19 Pressures for the HRE Directorate

Service	Area	Total cost £m
Strategic Housing	Housing Needs	0.8
	Private Sector Housing	0.2

Environment	Bereavement	0.2
	Green Scene	0.4
	Refuse Collection	1.2
	Strategic Waste	0.3
	Street Management	0.1
	Street Markets	0.3
Regeneration	Capital Programme Delivery	0.3
	Property Strategy	0.9
	Highways and Transport	0.5
	Development Management	1.2
	Land Charges	0.1
Total		6.5

Strategic Housing

- 8.4 Strategic Housing is forecasting an overspend of £1.0m in 2020/21 which is solely attributable to Covid-19. The division also forecasted a balanced budget at this time last year and ended the year with a £500k underspend.
- 8.5 There are overspends in the Housing Needs service of £830k which relates to increased costs that have materialised in dealing with homelessness due to the effects of Covid-19. This includes additional costs relating to rough sleepers, temporary accommodation (TA) costs and the suspension of the choice based lettings service and undertaking emergency moves for vulnerable clients. The group is also experiencing increased costs related to;
- Additional HB limitation recharges forecast at £1.1m over and above 2019/20 levels, based on client numbers being accommodated in nightly paid accommodation (794 in May 2020).
 - £750k of forecast incentive payments to landlords and clients to avoid the use of more expensive nightly paid accommodation.
 - £200k overspend forecast on PSL repairs
 - £220k overspend on PLACE Ladywell in irrecoverable lease income due to the decanting of the site in preparation of redevelopment.
- 8.6 However, some of these costs will be offset by additional income related to net rental for the stock purchased from Hyde Housing, with the remaining costs being covered by additional drawdown of grant given specifically for homelessness activity. It should be noted that the service has benefited from £4.6m of grant awarded for 2020/21 on a once-off basis to homelessness to cover the effects of the implementation of the Housing Reduction Act and compensation for the removal of TA management allowances in the HB regulations. There is currently no announcement on grant availability for financial year 2021/22 onwards. Should grant not be available, then there will be an immediate pressure of at least £4.6m. There are also overspends for *Private Sector Housing* of £190k and *Housing Partnership & Development* £20k. These principally relate to a forecast loss of income that has materialised in dealing with the effects of Covid-19, and additional staffing costs incurred in responding to the pandemic, respectively.

Environment

- 8.7 The Environment Division is forecasting an overspend of £4.8m in 2020/21, £2.6m of which relates to Covid-19. The overspend excluding Covid costs is £2.2m. At the same time last year, the year-end forecast was an overspend of £2.3m, with the actual year-end outturn being an overspend of £2.3m.

Bereavement Services

- 8.8 For *Bereavement services* there is a forecast overspend of £940k, of which £250k is Covid-19 related.
- 8.9 Due to the nature of the service it is extremely difficult to forecast income. The effect of Covid-19 has led to an increase in income from April to mid-June. The forecast for the remainder of the year has been based on past number of deaths over the same period, but has also taken into account the difficulty in achieving the additional income targets added to this service as detailed in the paragraph below. Covid-19 costs of £250k have been forecast for the year, including the cost of extra security, PPE, cleaning, and £30k for additional agency worker recruited to cover staff unable to work due to the virus.
- 8.10 The non-Covid overspend is made up of the following activities and areas:
- Cemeteries £270k - Reduced income of £270k across the three sites
 - Crematoria £350k – Bulk of this overspend is reduced income
 - Mortuary Service £40k – Charges from Royal Borough of Greenwich
 - Coroners Court £30k - Lewisham's contribution to the Coroners' Consortium budget this year is £443k an increase of £25k on last year and £33k more than budgeted.
- 8.11 A further request of 2020/21 under-recovery costs by the London Borough of Southwark is anticipated by the fourth quarter, which will increase the Council's contribution.
- 8.12 There was a 7.5% increase in charges for burials in 2019/20, and a £67k increase in income was agreed. However, the number of deaths and resultant burials and cremations was lower than the previous year, leading to a shortfall against the income target.
- 8.13 The number of deaths registered in 2018/19 was 1,409 and some 1,771 services were carried out. The number of deaths registered for 2019/20 was 1,406, with some 1,703 services carried out. There was an overall drop of 68 services across the whole year, more services were carried out than the number of deaths registered in the borough.
- 8.14 An additional £67k target has been set for 2020/21. There is a likelihood that this will not be fully achieved again this year.

Green Scene Services

- 8.15 The projected overspend for *Green Scene* services is £500k, of which £400k (for pest control, parks, and nature conservation), relates to Covid-19. For services such as Parks, including Beckenham Place Park (BPP), events and associated income have been suspended whilst on-going costs remain. The open water swimming has been shut temporarily and even after Covid-19 and its associated lockdown are lifted, it could be a while for this to pick up. Parks represent some £340k of this pressure, whilst the other two service areas account for the remaining £60k. There is a £100k pressure for Arboreal Services which is not deemed to be Covid-19 related. There are health and safety works required on old and damaged trees across the borough. This work is essential to mitigate the risks to the general public. The service will aim to contain this pressure within existing budgets. This will be monitored as the year progresses.

Refuse Collection

- 8.16 The *Refuse Collection service* is projected to overspend by £1.74m. The majority of this pressure, some £1.23m, is attributable to Covid-19 activity. A breakdown of the overspend is detailed in paragraphs below:
- 8.17 Refuse collection transport costs are forecast to overspend by £434k. During 2019/20, it was reported that there would be a £620k overspend. In March 2020, this reduced to £420k after rebate. It was anticipated that this overspend would drop significantly once the Council had

received all of the replacement vehicles on order. Unfortunately, due to Covid-19, no replacement vehicles have been received to date (five are in the country, but have not been registered yet). It is hoped that these five vehicles will arrive in the near future. When they ultimately arrive, the first 11 vehicles are set to replace those hired in, the remaining ones will replace the older vehicles, but as they are of a certain age, there is the higher risk of breakdown which in turn means hiring in external vehicles.

8.18 There is a forecast shortfall in income of £1.1m. There are a number attributable factors to this shortfall as detailed below:

- Covid 19 related £650k – Commercial waste income, to date only £150k has been charged for these two services in the first two months, it should have been closer to £500k. This assumes that full amounts will be charged as of the 1 July 2020 and that the customer database is at the same level, i.e. businesses have not closed due to the pandemic.
- Commercial Waste £490k ongoing income shortfall based on 2019/20 income and current budget.
- Also within Commercial Waste there is an income budget of £30k for sales of items such as dustbins. Last year less than £4k income was achieved. A shortfall of £20k has been assumed.
- Garden Waste – currently zero variance, however this subject to the take of full subscriptions.

Strategic Waste Management

8.19 For *Strategic Waste Management* services, this is projected to overspend by £970k.

8.20 Some £200k of this overspend is represented by a 2% increase in tonnage rates in costs for the following contracts: SELCHP, Veolia Food/Garden waste and SELWDG. Due to the nature of the mix of waste and more people working from home, it is anticipated that more waste will go to recycling which is at a higher cost. A cost of £250k has been deemed to relate to Covid-19 activity. A further £600k relates to the new dry recyclable contract with Bywaters. Within the new contract, prices changed from £103.00 per tonne to an initial processing fee of £115.02 per tonne. Contamination levels up to 15% will be covered in the processing fee. Contamination levels between 16-20% will be charged at £133.42 per tonne and contamination over 21% will be charged at £147.11 per tonne. It is anticipated that the increase will be covered corporately.

8.21 The Civic Amenities service is again projecting an overspend of £68k mainly relating to staffing. There are units within the strategic waste management service that are projecting underspends based on their respective 2019/20 outturns, Street Cleaning disposal and Animal Welfare of £137k and £10k, respectively. The former will be reviewed and if necessary have budget redirected to one of the other waste disposal services.

Street Management

8.22 The *Street Management* service is projected to overspend by £336k, £130k of which is Covid-19 related. In the main, the overspend relates to street cleansing of £260k (£74k Covid-19 related), due to the staffing levels required to achieve the level of service currently being provided. Other factors relate to historic charges on Public Conveniences £20k, Covid-19 related loss of income on lumber collection of £30k and Cleansing Enforcement of £26k.

Street Markets

8.23 The *Street Markets* service is forecasting a loss of income of £330k due to the closure of

markets during the pandemic. The three council-run markets in the borough were closed. This loss of income is entirely Covid-19 related. There are approximately 180 stalls across the three markets, with mixed occupancies. The service is expecting to achieve a reduction in costs relating to street cleaning during this period. It is to be noted however, that reductions in costs achieved here may result in a loss of income to other internal services.

Other Environmental Services

- 8.24 The services for Environmental Administration, Fleet, Passenger Transport are projecting balanced budget positions by the year-end.

Regeneration

- 8.25 The Regeneration Division is forecasting an overspend of £2.9m in 2020/21, of which £1.6m of relates to Covid-19.
- 8.26 The *Commercial Investment and Delivery* is reporting £91k underspend due to vacancies.
- 8.27 For *Capital Programme Delivery (CPD)*. There is a forecast overspend of £250k, which is entirely Covid-19 related. All staffing costs for the CPD team are recharged to the relevant projects and external grants, but due to the impact of Covid-19, some of these projects may not be finished or even start.
- 8.28 *Property Strategy is reporting an overspend of £1.857m* mainly due to income from Commercial Properties. The total overspend is explained as follows:
- There is an estimated income shortfall of £1m, which is partly due to Covid-19 and resulting business failures and re-letting costs (£542k). This figure, which represents 20% of the budget, will be kept under constant review, and is based on early indicators from commercial leaseholders and anticipated repercussions coming out of Covid-19. An additional income target of £750k was previously agreed, without factoring in increased properties to let. Only £250k is likely to be achieved, leaving a £500k shortfall in income. The most significant challenge is that this relies on achieving income earmarked from significant one-off projects such as the land disposal at Copperas Street and growth in higher value retail parades. The delivery of Copperas Street is now affected due to a change in corporate priorities over what the site should deliver, whilst the latter has been put on hold due to emerging social housing development plans.
 - There is a forecast overspend on utilities of £350k due to the rise in utility prices which have not always been matched by budgetary increases. The service is also still resolving legacy issues over unresolved debt with utility providers.
 - There is a forecast overspend on building control of £304k. Due to Covid-19, the service is not be able to generate income of up to £215k, as all construction work was put on hold. The remaining overspend is forecast as the service is incurring higher than anticipated staffing costs due to the use of agency staff.
 - There is a forecast loss of income on Garages of £107k. The equates to 10% of garage rental income which is not likely to be recovered due to Covid-19. The figure will be kept under constant review.
- 8.29 The *Estate Compliance* overspend is forecast to be £190k. This is due to higher agency staffing costs and costs related to the office of the Interim Director of Regeneration, £150k. There is a £40k overspend forecast for Corporate Estate Security which is attributed to payment of the London Living Wage.
- 8.30 The overspend for *Highways & Transport* amounts to £701k. *This relates to the following:*

- Income Capital Fees of £367k – The underachievement of capital fees income is primarily as a result of the TfL LIP funding for 2020/21 no longer being available. TfL have secured a funding settlement from government for the period to October 2020 and is making funding available for boroughs for temporary measures. Some of this funding is expected to be secured and other funding bids are being made to secure additional investment.
- Further pressures amounting to £334k and which principally relate to income shortfalls and staff costs are projected to the year-end. Some £465k of the overall £700k overspend is deemed to be Covid-19 related.

Planning Service

- 8.31 The Planning Service is forecasting a £1.3m overspend in 2020/21. The service is heavily reliant on income, but has had a large reduction in planning applications and pre-application enquiries. The projected loss of income in its entirety comes as a result of Covid-19.
- 8.32 Development Management accounts for £1.2m of the income shortfall. The service is hopeful that income will recover by Quarter 4 as the lockdown eases and confidence in the economy returns. Income levels and planning application volumes are being monitored on a weekly basis, and staffing costs will be reduced wherever possible in response to falling volume of applications. The loss of fee income for land charges accounts for the remaining £100k.

Progress on Savings for 2020/21

- 8.33 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £2.378m were agreed in setting 2020/21 budget.

Table 14 – Housing, Regeneration and Environment Savings Tracker for 2020/21

Ref	Description	Division	Amount £m	Achievable £m	Gap £m	Comments
CUS02	Income Generation – Increase of Garden Waste Subscription	Environment	0.185	0.185	0.0	On track
CUS04	Income Generation – Increase in Commercial Waste Charges	Environment	0.050	0.0	0.050	Achievability affected by Covid 19
CUS06	Bereavement Services increase income targets	Environment	0.067	0.0	0.067	Unachievable due to existing income target pressures
CUS09	Cost reductions in homelessness provision – income generation and net budget reductions	Strategic Housing	0.696	0.696	0.0	In 20/21 this saving will not be achieved, but will be covered by once-off funds
RES11	Increase in pre-application fees	Planning	0.100	0.0	0.100	Achievability affected by Covid 19
RES12	Catford complex office rationalisation	Regeneration	0.250	0.150	0.100	Only £150k will be achieved
RES13	Reduction in Business Rates for the Corporate Estate	Regeneration	0.100	0.100	0.0	On track
RES14	Corporate Estate Facilities Management Contract Insourcing	Regeneration	0.100	0.100	0.0	On track

RES15	Commercial Estate Growth	Regeneration	0.500	0.100	0.400	Only £100k will be achieved
RES17	Beckenham Place Park – income generation	Environment	0.105	0.0	0.105	Achievability affected by Covid 19
RES18	Electric Vehicle charging points	Regeneration	0.050	0.0	0.050	Achievability affected by Covid 19
CUS16	Operational savings in the Private Sector Housing Agency through service improvements	Strategic Housing	0.175	0.175	0.0	On track
Total for Housing, Regeneration & Environment			2.378	1.506	0.872	

9. CORPORATE SERVICES DIRECTORATE

- 9.1 As at the end of May 2020, the Corporate Services directorate is forecasting an overspend of £4.9m. Some £5.2m of this relates to Covid-19 costs for which central government funding is being sought to fully cover all of these pressures. The balance represents a net underspend of £0.3m across the various services within the directorate. The overall position has been set out in the table below.

Table 15 – Corporate Services Directorate

Service Area	Gross budgeted spend 2020/21	Gross budgeted income 2020/21	Net budget 2020/21	Forecast Outturn 2020/21	Forecast Variance Over/ (Under) spend May 2020	Covid-19 Related Variance	Non Covid-19 Related Variance
	£m	£m	£m	£m	£m	£m	£m
Corporate Resources	6.0	(3.2)	2.8	2.7	(0.1)	0.0	(0.1)
Corporate Policy & Governance	4.8	0.0	4.8	4.8	0.0	0.0	0.0
Financial Services	5.6	(1.5)	4.1	4.3	0.2	0.0	0.2
Organisational Development & HR	3.3	(0.3)	2.9	3.0	0.1	0.1	0.0
Legal Services	3.4	(0.5)	2.9	2.9	0.0	0.0	0.0
Strategy and Communications	5.4	(2.8)	2.6	2.7	0.1	0.1	0.0
Public Services	28.6	(18.0)	10.7	14.2	3.5	3.9	(0.4)
IT & Digital Services	7.3	0.0	7.3	8.4	1.1	1.1	0.0
Reserves	0.0	(0.7)	(0.7)	(0.7)	0.0	0.0	0.0
Total	64.3	(26.9)	37.4	42.3	4.9	5.2	(0.3)

Cost of Covid-19

- 9.2 The estimated financial impact of Covid-19 on base budgets for expenditure and income in Corporate Services is £5.2m. These pressures are included in projections below. These, along with similar pressures in other directorates, will be alleviated by the Covid grant the Council received from central government. The Covid-19 pressures are summarised in the following table.

Table 16 – Covid-19 Pressures for the Corporate Services Directorate

Service	Area	Total cost £m
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IT and Digital Services	Emergency rollout of IT hardware, licences for software, buy your own IT scheme etc.,	1.1
Public Services	Loss of income from parking services	2.6
	Sundry Debt – Delay in Invest to Save to improve debt collection	0.5
	Revenues Services – Loss of income collected through enforcement and court fees	0.6
	Building cleaning, staffing etc.,	0.2
Strategy and Communications	Increases in communications capacity to support response to the coronavirus pandemic	0.1
Human Resources	Increases in HR capacity to support response to the coronavirus pandemic with regards to emergency recruitment and HR advice	0.1
Total		5.2

- 9.3 A number of divisions are not reporting any significant budget variances at this early stage of the financial year. These includes *Corporate Policy & Governance, Organisational Development & HR, Legal Services* and *Strategy and Communications*.
- 9.4 The *Corporate Resources* division is forecasting an underspend of £0.1m, mainly on staffing cost. The *Financial Services* division is forecasting an overspend on £0.2m. This is due to existing pressures on staffing budgets, including the delayed achievement of the savings on the wider Oracle Programme, as per the saving tracker included in this section of the report.
- 9.5 The *IT & Digital Services* division is currently forecasting a nil variance after the impact of Covid-19 related spend of £1.1m has been accounted for. Following the 2020/21 budget setting process, ongoing service pressures and new commitments have been identified and funded. The service budget has increased by £1.4m for the new financial year.

Public Services Division

- 9.6 The Public Services division is forecasting a net overspend of £3.5m, as set out in the table below:

Table 17 – Public Services

Service Area	Net budget 2020/21	Forecast over/ (under) spend May 2020/21
	£m	£m
Revenue Services	2.4	0.8
Housing Benefits	11.8	(0.3)
Emergency Planning & Admin	0.9	0.0
Service Point	2.2	(0.1)
Parking Services	(6.3)	2.6
Director of Public Services	(0.3)	0.5
Total	10.7	3.5

- 9.7 The most significant area of financial pressure is within Parking services. Income has been significantly down in the first two months of the year due to the Covid-19 related restrictions. The full year income forecast is £7.7m, compared to £10m last year, but this is subject to much uncertainty in relation to the extent of Covid-19 related restrictions throughout the remainder of the year and the pace of the economic recovery. The overspend position is further exacerbated by a £0.5m budget saving which has increased the income target compared to last year.
- 9.8 There are also significant pressures within Revenue services of £0.8m due to loss of income collected by the Enforcement Team and loss of income from Court fees. Courts have been closed during the pandemic period, and the Enforcement Team has had to put much activity

on hold. Again, the forecast assumes a degree of recovery during the remainder of the year which at this moment in time is highly uncertain.

- 9.9 The Director of Public Services budget line includes a £0.480m saving in relation to sundry debt collection. Given the circumstances, this is considered unachievable at present as much income recovery work has been placed on hold, and increased collection would in any case benefit the wider Council rather than directly benefit the Public Services Division budget.
- 9.10 It is anticipated that there may be underspends within the Service Point and Housing Benefits service areas, that could go some way towards alleviating these pressures, but further analysis and monitoring needs to be undertaken as the financial year progresses.
- 9.11 There has been spend of £121k up to the end of May 2020 on the Corporate Services Directorate Covid-19 cost centres. These items of spend have already been included in the analysis in the tables above. There are further known commitments of £0.334m. The largest area of committed expenditure to date is through the Shared ICT Service, where there are commitments of £232k in relation to equipment of £204k, licences of £10k and staffing of £18k.
- 9.12 The projection also includes estimated costs in relation to reimbursing employees for equipment purchased to support their home working.
- 9.13 As in the case of all service directorates, the full year cost estimate for the Directorate is consistent with the cost projection reported to central government (MHCLG) on a monthly basis.

Progress on Savings for 2020/21

- 9.14 The progress on revenue budget savings for the directorate have been set out in the table below. Saving proposals of £1.545m were agreed in setting 2020/21 budget.

Table 18 – Corporate Services Savings Tracker for 2020/21

Ref	Description	Division	Amount £m	Achieved £m	Gap £m	Comment
CUS 11	Process automation in Revenues and Benefits	Public Services	0.250	0.250	0.0	On-track
CUS 13	Invest to save – improve sundry debt collection	Public Services	0.480	0.0	0.480	Delayed due to covid-19 related reduction in collection activity
RES 01	Benefits Realisation of Oracle Cloud	Finance	0.100	0.0	0.100	Delayed, re-organisation yet to take place
RES 02	Legal Fees increase	Legal	0.032	0.032	0.0	On-track
RES 04	Policy, Service Design and Intelligence – Reduction on staffing	Corporate Policy & Governance	0.050	0.050	0.0	On-track
RES 07	Reduce corporate apprenticeships salaries budget	Strategy and Communications	0.055	0.055	0.0	On-track
RES 10	Cease graduate programme	OD & HR	0.078	0.078	0.0	On-track

CUS 14a	Parking service budget review	Public Services	0.500	0.0	0.500	Unlikely to be achieved in 20/21 due to covid-19
Total			1.545m	465.0m	1.080m	

10. DEDICATED SCHOOLS' GRANT

- 10.1 The Dedicated Schools Grant (DSG) for 2020/21 is £264.3m. This figure is after the DfE recoupment for Academy Schools and the adjustment for the inter-borough use of high needs places.
- 10.2 The schools block element of £179.7m and central services to schools block allocation of £4.6m are both expected to spend in line with budget. The schools block determines the funding given to schools and the central block is restricted to maximum spend levels as defined by the DSG grant conditions.
- 10.3 With regards the high needs block of £55.1m, Lewisham remains one of very few local authorities where the spend up to now has been within budget. A report was presented to Schools Forum in 2018/19 setting out the issues arising from demand projections. The 2019/20 outturn confirmed the pressure, with an overspend of circa £0.6m, after the application of one-off resources from the DfE and schools block totalling circa £2m. The projection for 2020/21 is anticipated to be an overspend of at least the £2.6m. It should be noted that with allowances for growth, this could potentially increase. The service has been working on a mitigation plan from 2018/19 the outcomes of which are beginning to embed. However, there remains a concern that the demand coming through from pupil numbers and pricing is continuing to out-weigh the benefits of the mitigation plan. Careful and considered monitoring of the position will need to continue throughout the year.
- 10.4 The funding for high needs is based on a baseline that was determined in 2012/13, which was prior to the changes established as part of the SEND reforms. The baseline was determined when the scope was from 5 to 19 years old. The local authority's liability now covers the 0 to 25 age range. Overall, the number of Education Health Care Plans (EHCPs) is continuing to increase coupled with increases in the severity of cases and prices. The table below shows the increase in the number of EHCP's since 2017/18.

Table 19 – EHCPs

Phase/Financial Year	Under 5s	Primary	Secondary	Post-Secondary	Grand Total
2017/18 - used as baseline	42	831	769	537	2,179
2018/19	24	889	821	626	2,360
2019/20	37	929	887	774	2,627
2020/21	57	985	903	775	2,720
Increase on baseline (nos)	15	154	134	238	541
Increase on baseline (%)	35.7%	18.5%	17.4%	44.3%	24.8%

- 10.5 The element for the early years block is £24.9m for 2020/21. The early years funding remains provisional as it is based on January 2020 and January 2021 pupil census data. There are some concerns as to whether or not the DfE will use January 2021 data, as this could potentially be lower than the number of a typical year. Further to meetings which officers have had with representatives of the DfE, it should be noted that the department is currently looking at options to mitigate the risk, albeit within their own financial constraints. Progress on this work will continue to be reported through to members as the year progresses.

- 10.6 Further grants are given to schools and routed through the local authority. These include the pupil premium estimate (£12.9m), post 16 funding estimate (£5.7m) and the universal free school meals grant estimate (£3.8m). Furthermore, the Teachers Pay Grant (£2m) and Teachers Pensions (£6m) making total funds of £294.7m. These figures are based on last year's allocation and have yet to be formally approved.

Schools

- 10.7 There are now five schools with loans, totalling £1.4m. In total, there are 11 schools with deficits and 13 schools with balances that are within 8% of their delegated budget share. There are however 53 schools with balances in excess of 9%.
- 10.8 The Schools Finance Team will continue to work with schools in developing sustainable budget plans. Budget plans incorporating metrics management have been developed to support schools to review budgets with a strategic view. This enables schools to compare their deployment on leadership, teaching, support administration, contact time etc., Feedback from schools has been very positive.

11. HOUSING REVENUE ACCOUNT

- 11.1 The table below sets out the current budget for the Housing Revenue Account (HRA) in 2020/21. The balanced HRA budget seen in the table includes a budgeted contribution from reserves of £43.5m, which is to be used to fund the HRA major works and new supply programme and is included as a part of the 30 year HRA business plan. At this relatively early stage of the financial year, no variation is being reported.
- 11.2 Repairs & Maintenance (R&M) is forecasting spend to budget. There was an underspend in this area in 2019/20. This area will be closely monitored in 2020/21 to ensure that spend is to budget and that costs can be contained within overall allocations.
- 11.3 The current 30 year HRA financial model has been recently refreshed, with the final outturn for 2019/20 as well as the latest updates for the general capital programme, revised stock numbers and reserves allocations incorporated into the plans. Budgets will be updated in July 2020 to reflect starting stock numbers from 1 April 2020, as well as incorporating a May/June 2020 consolidation update for the new supply programme to reflect the latest position. The revisions to the budgets may push planned capital and new supply expenditure into 2021/22 due to a re-programming of works and delays due to the Covid-19 pandemic.
- 11.4 At the present time, the forecasts have not been updated with costs related to Covid-19. Those costs which have currently been identified include additional bad debt impairments in the region of £350k, and there is a guarantee to Lewisham Homes that the local authority will cover up to £1.2m of operative workforce related pressures due to the slowdown of repairs works undertaken which will represent lost income to their trading account.

Table 20 – Housing Revenue Account

Service Area	Expenditure Budget 2020/21	Income Budget 2020/21	Net Budget 2020/21	Forecast Variance over/ (under) spend May 2020
	£m	£m	£m	£m
Housing, Regeneration and Environment – Housing	18.3	(3.6)	14.7	0
Lewisham Homes & R&M	38.3	0	38.3	0
Resources	1.6	0	1.6	0

Centrally Managed Budgets	84.9	(139.5)	(54.6)	0
Total	143.1	(143.1)	0	0

12. COLLECTION FUND

- 12.1 As at 31st May 2020, some £26.8m of council tax had been collected. This represents 17.6% of the total amount due for the year. This is below the profiled collection rate of 19.4% if the overall target for the year of 96% is to be met.

Table 21 – Collection Fund to end of May 2020

	Cash Collected (cumulative)	Cash needed to meet 96% Profile	difference between collected and 96% profile	Current Year Collection Rate%	Previous Year Collection Rate (2019-2020)	difference	Required Collection Rate to reach 96%	difference
Apr-20	15,330,187.88	16,755,404.24	-1,425,216.36	10.05%	10.94%	-0.88%	10.98%	-0.93%
May-20	26,845,756.34	29,517,974.34	-2,672,218.00	17.60%	19.15%	-1.55%	19.35%	-1.75%

- 12.2 Business rates collection is at 33.0%. This is an increase of 1.9% compared to the same period last year, and 6.8% higher than the profiled collection rate if the overall target rate for the year of 99% is to be achieved. It must be noted though, that the collectible amount for the year has been reduced by over £30m due to Covid-19 related additional reliefs for businesses.

13. CAPITAL EXPENDITURE

- 13.1 The Capital Programme spend as at 31 May 2020 is £4.4m, which is 2% of the revised 2020/21 budget of £210.9m. At this point last year, 16% of the revised budget had been spent, with the final outturn being 72% (£121.2m) of the revised budget of £169.1m. Although relatively early in the financial year, the current spend against the programme is considerably lower than the levels expected at this stage of the year.
- 13.2 There is now considerable uncertainty for London over future property values and rents as the market has stalled during the Covid-19 response and the impact through recovery on employment is not yet understood. This comes on top of the Brexit uncertainties already in place going into this pandemic. Additionally, the Covid-19 response is beginning to show a shift of the ways of working of the Council and the current plans may no longer reflect the estate the Council needs to maintain.
- 13.3 For these reasons and while the programme is effectively stalled, a review of the capital programme set in the Budget is being undertaken as part of the Council's Covid-19 recovery planning phase. The conclusions of this will be brought back to Members at the earliest opportunity for their review and decisions on future plans post Covid-19 as part of future budget updates.
- 13.4 The table below shows the current position on the major projects in the 2020/21 Capital programme (i.e. those over £1m in 2020/21). Attached at Appendix 1 is a reconciliation of the latest capital programme budget for 2020/21 to the version approved in the 2020/21 Budget Report. Appendix 2 shows the major projects over the three year period 2020/21 to 2021/22.

Table 22 – Capital Programme 2020/21 (Major Projects)

2020/21 Capital Programme	Budget Report (February 2020)	Revised Budget	Spend to 31 May 2020	Spent to Date (Revised Budget)
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	£m	£m	£m	%
GENERAL FUND				
Schools - School Places Programme	10.5	9.1	0.4	4%
Schools - Other (inc. Minor) Capital Works	0.1	6.3	1.0	15%
Highways & Bridges - LBL	2.5	2.9	0.0	0%
Highways & Bridges - Others	0.8	1.1	0.0	0%
Catford town centre	3.7	4.0	0.1	2%
Asset Management Programme	1.7	2.4	0.0	0%
Other AMP Schemes	7.3	3.7	0.1	3%
Excalibur Regeneration	1.2	1.4	0.0	0%
Lewisham Homes Property Acquisition	3.0	3.0	0.0	0%
Private Sector Grants and Loans (inc. DFG)	3.3	1.6	0.0	0%
Achilles St. Development	0.0	10.3	0.0	0%
Ladywell Leisure Centre Development Site	1.1	1.3	0.0	0%
Edward St. Development	9.0	9.0	0.0	0%
Residential Portfolio Acquisition – Hyde Housing Association	0.0	2.9	2.1	72%
Travellers Site Relocation	2.1	0.2	0.0	0%
Fleet Replacement Programme	8.1	7.8	0.0	0%
Other General Fund schemes	3.7	7.4	0.0	0%
TOTAL GENERAL FUND	58.1	74.4	3.7	4%
HOUSING REVENUE ACCOUNT				
Building for Lewisham Programme	97.5	78.4	0.5	1%
Creekside Acquisition	0.0	19.1	0.0	0%
HRA Capital Programme	37.2	37.2	0.2	1%
Other HRA schemes	1.6	1.8	0.0	0%
TOTAL HOUSING REVENUE ACCOUNT	136.3	136.5	0.7	1%
TOTAL CAPITAL PROGRAMME	194.4	210.9	4.4	2%

- 13.5 The main sources of financing the programme are grants and contributions, and capital receipts from the sale of property assets. Some £4.4m has been received so far this year, comprising £2.6m (net) from Housing Right to buy sales and other capital receipts and £1.8m of grants and contributions.

14. FINANCIAL IMPLICATIONS

- 14.1 This report concerns the financial forecasts for the 2020/21 financial year. However, there are no direct financial implications in noting these.
- 14.2 Even before the coronavirus crisis, Lewisham faced significant financial pressures. The additional work the Council is currently undertaking in its response to the pandemic and as part of the early phases of recovery, coupled with the impact of substantial reductions in income is putting its finances under considerable strain. Officers are joining other councils in the push for a commitment from the government that it will meet the extra costs local authorities are facing due to Covid-19.
- 14.3 The Council priority will always be to protect the most vulnerable people in our communities and officers are fully aware that this period has also brought considerable challenges for many of our residents and businesses. Although funding received by government to date has gone some way in alleviating some of the financial pressures being experienced, this still leaves a significant budget gap.

- 14.4 Taking the estimated costs and lost income considerations of the Covid-19 response and additional support from government into account, the Council has sufficient reserves to meet these financial commitments at present. However, without further investment, it is highly likely that members will be faced with some difficult choices and will be met by the inevitability that the Council will need to both look different and be required to reduce and cease services in the long term.
- 14.5 Officers are intending to bring forward a 'stabilisation' budget in the autumn to confirm the position at that time for the remainder of the financial year.

15. LEGAL IMPLICATIONS

- 15.1 The Council is under a duty to balance its budget and cannot knowingly budget for a deficit. It is imperative that there is diligent monitoring of the Council's spend and steps taken to bring it into balance. The proposals in the body of the report suggest this can be achieved this year by use of reserves.
- 15.2 Section 114 Local Government and Finance Act 1988 places a duty on the Council's Section 151 officer to prepare a report if the Council has taken or is about to take a course of action which if pursued to conclusion would be unlawful and likely to cause a loss or deficiency on the part of the Council. The effect of a s114 notice would be to prevent any further expenditure by the authority. This is effected with the approval of the s151 officer on the basis that it would prevent the financial situation worsening, to improve it or to prevent it recurring. The Council is not yet in that position, but the situation will have to be carefully monitored in future.
- 15.3 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended provide that if a decision is concerned with the Council's budget, borrowing or capital expenditure and is an executive function, the decision cannot be taken by the Executive if it would not be wholly in accordance with the Council's budget or plan/strategy relating to borrowing or capital expenditure. The Acting Chief Finance (s151) officer has advised that this situation has not yet arisen, but it will need to be borne in mind in relation to any future decisions.
- 15.4 Under Section 17 Crime and disorder Act 1998, the Council has a duty in the exercise of its functions to consider the impact of all their functions and decisions on crime and disorder in their local area.
- 15.5 Section 12 of the Health and Social Care Act inserted a new section 2B into the NHS Act 2006 to give a local authority a new duty to take such steps as it considers appropriate to improve the health of the people in its area. The steps in this report are consistent with that duty.
- 15.6 Under s3 Local Government Act 1999, the Council must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This duty remains even in these exceptional circumstances.

16. CRIME AND DISORDER ACT IMPLICATIONS

- 16.1 There are no specific crime and disorder implications directly arising from this report.

17 CLIMATE AND ENVIRONMENT IMPLICATIONS

- 17.1 There are no specific climate or environment implications directly arising from this report.

18. EQUALITIES IMPLICATIONS

- 18.1 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 18.2 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - foster good relations between people who share a protected characteristic and those who do not.
- 18.3 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 18.4 The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for members, bearing in mind the issues of relevance and proportionality. They must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 18.5 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice#>
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>
- 18.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty
 - Meeting the equality duty in policy and decision-making
 - Engagement and the equality duty: A guide for public authorities
 - Objectives and the equality duty. A guide for public authorities
 - Equality Information and the Equality Duty: A Guide for Public Authorities
- 18.7 The essential guide provides an overview of the equality duty requirement including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

BACKGROUND PAPERS AND APPENDICES

Short Title of Report	Date	Location	Contact
Financial Outturn for 2019/20	9 th July 2020 (M&C)	1 st Floor Laurence House	Selwyn Thompson
Council's Response to Covid-19 Financial Update	10 th June 2020 (M&C)	1 st Floor Laurence House	David Austin
2020/21 Budget	27 th February 2020 (Council)	1 st Floor Laurence House	David Austin

For further information on this report, please contact:
Selwyn Thompson, Director of Financial Services on 020 8314 6932

APPENDICES

Appendix 1 – Revised 2020/21 Capital Programme (Approved to Latest Budget)

	Total	Total
	£'000	£'000
APPROVED CAPITAL PROGRAMME BUDGET		
Full Council – 26 February 2020		194,449
Underspend carried-forward from 2020/21		17,719
New Schemes		
Schools Minor Works Programme 2020	<u>3,131</u>	3,131
Approved variations on existing schemes		
Footways	18	
Disabled Facilities Grant	639	
School Places schemes	722	
Achilles St. Development	<u>4,670</u>	6,049
Re profiled Budgets		
Travellers Site Relocation	(1,918)	
Civic Suite – Repairs & Refurbishment	(590)	
Old Town Hall – Repairs & Refurbishment	(3,000)	
Schools Places Programme	(2,506)	
Disabled Facilities Grant	(1,459)	
Discretionary Grants	<u>(1,050)</u>	(10,523)
Re-Phasing Budgets (Housing Revenue Account)		
Other Schemes	<u>122</u>	122
Revised Capital Programme Budget 2020/21		<u>210,947</u>

Appendix 2 – Major Programmes over £2m (2020/21 to 2020/23)

Major Projects over £2m	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
GENERAL FUND				
Schools - School Places Programme	9.1	4.7	2.4	16.2
Schools – Minor Works Capital Programme	4.1			4.1
Schools - Other Capital Works	2.2			2.2
Highways & Bridges - LBL	2.9	2.5	2.5	7.9
Catford town centre	4.0	1.1		5.1
Asset Management Programme	2.4	2.0	2.5	6.9
Other AMP Schemes	3.7	8.4	0.5	12.6
Lewisham Homes – Property Acquisition	3.0			3.0
Residential Portfolio Acquisition – Hyde Housing	2.9			2.9
Disabled Facilities Grant	1.0	1.5		2.5
Private Sector Grants and Loans	0.7	1.6		2.3
Edward St. Development	9.0	8.4		17.4
Fleet Replacement Programme	7.8	0.8	0.8	9.4
Achilles St. Development	10.3			10.3
Ladywell Leisure Centre Development Site	1.3	3.4	0.1	4.8
Travellers Site Relocation	0.2	3.5		3.7
Other Schemes	9.8	1.0	0.7	11.5
	74.4	38.9	9.5	122.8
HOUSING REVENUE ACCOUNT				
Building for Lewisham Programme	78.4	159.6	89.6	327.6
Creekside Acquisition	19.1	5.0	0.0	24.1
HRA Capital Programme	37.2	30.6	42.2	110.0
Other HRA Schemes	1.8	0.9	1.0	3.7
	136.5	196.1	132.8	465.4
TOTAL PROGRAMME	210.9	235.0	142.3	588.2